

State of Alaska FY2010 Governor's Operating Budget

Department of Natural Resources Pipeline Coordinator Component Budget Summary

Component: Pipeline Coordinator

Contribution to Department's Mission

To encourage and facilitate the development and sound operation of pipelines on State land.

Core Services

- Process applications under the Alaska Lands Act and the Right-of-Way Leasing Act and negotiate and deliver pipeline and other right-of-way leases in a manner that serves the State's interests
- Administer leases under the State Pipeline Coordinator's Office jurisdiction including revenue, permitting, authorizations, and oversight of the construction, operation, maintenance and termination of pipelines on State leased land.
- Coordinate SPCO Trans-Alaska Pipeline System (TAPS) Lease oversight with the U.S. Dept. of Transportation/ Pipeline and Hazardous Materials Safety Administration, and the U.S. Bureau of Land Management to ensure that TAPS remains available for delivery of North Slope crude oil to market.
- Keep the public informed of the State Pipeline Coordinator's Office activities.

End Result	Strategies to Achieve End Result
<p>A: Assure pipelines administered by the State Pipeline Coordinator's Office are designed, constructed, operated and maintained in a safe and environmentally-sound manner consistent with lease requirements and applicable laws.</p> <p><u>Target #1:</u> By monitoring regulatory and lease compliance, ensure safe and environmentally sound operations of the State Pipeline Coordinator's Office jurisdictional pipelines.</p> <p><u>Status #1:</u> Agreements are currently in place for 100% of active jurisdictional pipeline operators as applicable to AS 38.35.140 and 145.</p>	<p>A1: Maintain acceptable turnaround time for review and issuance of pipeline right-of-way amendments and operational permits.</p> <p><u>Target #1:</u> 100% of applications and requests are processed within timelines negotiated with the applicant/lessee or as legally or contractually required.</p> <p><u>Status #1:</u> 100% of amendments, authorizations and permits has been processed within timelines negotiated with the applicant/lessee or as legally or contractually required.</p> <p>A2: Increase the State Pipeline Coordinator's Office regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.</p> <p><u>Target #1:</u> New Target and Measure will be developed for FY10 to report data related to regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.</p> <p><u>Status #1:</u> Not Available</p> <p>A3: Increase the State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.</p> <p><u>Target #1:</u> New Target and Measure will be developed for FY10 to report data related to increased State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.</p> <p><u>Status #1:</u> Not Available</p>

	<p>A4: Explore, through analysis of department procedures, opportunities to streamline the pipeline right-of-way lease amendment process.</p> <p>Target #1: New Target and Measure will be developed for FY10 to report data related to streamlining efforts for pipeline right-of-way lease amendments.</p> <p>Status #1: Not Available</p>
--	---

Major Activities to Advance Strategies

- Process applications, and negotiate and deliver Right-of-Way leases.
- Expedite permits and authorizations.
- Coordinate concurrent regulatory process of all Joint Pipeline Office participating agencies.
- Maintain public records.
- Administer leases under state jurisdiction.
- Conduct oversight consistent with applicable statutes, regulations, engineering standards and lease requirements.
- Negotiate agreements with lessees and state agencies.
- Keep public informed.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$7,896,300

Personnel:

Full time	27
Part time	0
Total	27

Performance

A: Result - Assure pipelines administered by the State Pipeline Coordinator's Office are designed, constructed, operated and maintained in a safe and environmentally-sound manner consistent with lease requirements and applicable laws.

Target #1: By monitoring regulatory and lease compliance, ensure safe and environmentally sound operations of the State Pipeline Coordinator's Office jurisdictional pipelines.

Status #1: Agreements are currently in place for 100% of active jurisdictional pipeline operators as applicable to AS 38.35.140 and 145.

Percent of Active Jurisdictional Pipelines that have written reimbursement agreement with SPCO pursuant to AS 38.35.140 and 145

Fiscal Year	YTD Total
FY 2009	100%
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%

Methodology: FY09 Data is as of 9/30/2008.

Analysis of results and challenges: Multiple agencies are involved in permit processing and oversight of jurisdictional pipelines due to a wide range of applicable laws and other requirements. These include engineering design standards, as well as environmental, health and safety requirements. The State Pipeline Coordinator's Office (SPCO) has historically focused only on TAPS and other large scale gas pipeline projects. However, in recent years, the SPCO has worked to develop agreements with 16 additional active jurisdictional pipelines and increased coordination with other state and federal oversight agencies. The target reflects the results of these efforts. The result is broader and more efficient oversight of pipeline operators by the State. Challenges include possible expansion of the non-TAPS oversight program and negotiating the funding to support these efforts.

A1: Strategy - Maintain acceptable turnaround time for review and issuance of pipeline right-of-way amendments and operational permits.

Target #1: 100% of applications and requests are processed within timelines negotiated with the applicant/lessee or as legally or contractually required.

Status #1: 100% of amendments, authorizations and permits has been processed within timelines negotiated with the applicant/lessee or as legally or contractually required.

Percentage of applications and requests processed through the SPCO within timelines negotiated with the applicant/lessee or as legally or contractually required.

Fiscal Year	YTD Total
FY 2009	100%
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%

Analysis of results and challenges: FY09 data is as of 9/30/08.

All permits and authorizations were consistently processed within timelines negotiated or as legally or contractually required. This indicates good communication and coordination between applicants/lessees and the SPCO. The numbers of permits and authorizations processed varies from year to year depending on the types of projects undertaken and the number of applications and requests submitted by the applicants/lessees.

A2: Strategy - Increase the State Pipeline Coordinator's Office regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.

Target #1: New Target and Measure will be developed for FY10 to report data related to regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans Alaska Pipeline System.

Status #1: Not Available

A3: Strategy - Increase the State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.

Target #1: New Target and Measure will be developed for FY10 to report data related to increased State Pipeline Coordinator's Office support of natural gas pipeline right-of-way leasing activities.

Status #1: Not Available

A4: Strategy - Explore, through analysis of department procedures, opportunities to streamline the pipeline right-of-way lease amendment process.

Target #1: New Target and Measure will be developed for FY10 to report data related to streamlining efforts for pipeline right-of-way lease amendments.

Status #1: Not Available

Key Component Challenges

- Maintaining an adequate workforce to deliver essential services, including but not limited to, assessment of pipeline right-of-way lease compliance, pipeline right-of-way issuance and amendments, and engineering reviews
- Through regulatory and lease compliance oversight, minimize pipeline shutdowns and environmental hazards due to corrosion and other factors.
- Coordination of pipeline permitting and oversight with other state and federal authorities.

Significant Changes in Results to be Delivered in FY2010

- Maintain acceptable turnaround time for review and issue of pipeline right-of-way amendments and operational permits
- Increase the State Pipeline Coordinator's Office (SPCO) regulatory and lease compliance monitoring of AS38.35 pipelines which are not part of the Trans-Alaska Pipeline System.
- Increase SPCO support of natural gas pipeline right-of-way leasing activities.
- Explore, through analysis of department procedures, opportunities to streamline the pipeline right-of-way lease amendment process.

Major Component Accomplishments in 2008

During FY08 the State Pipeline Coordinator's Office

- Responded to pipeline corrosion issues identified by Alyeska.
- Increased engineering review for Strategic Reconfiguration Project efforts related to Pump Station #3 of the Trans Alaska Pipeline System .
- Drafted and implemented a new Joint Pipeline Office Operational Agreement. This new agreement has fostered renewed interest and participation from state and federal agencies. Of note in the new agreement, is the expanded participation of the U.S. Dept. of Transportation which holds major regulatory authority on oversight of pipeline integrity.

Statutory and Regulatory Authority

AS 27.19	Mining Reclamation
AS 38.05	Alaska Land Act
AS 38.35	Right-of-Way Leasing Act
AS 46.15	Alaska Water Use Act
AS 46.40	Alaska Coastal Zone Management Program

11 AAC 110	Alaska Coastal Zone Management Program
11 AAC 51	Public Easements
11 AAC 53	Records, Survey, Platting
11 AAC 71	Timber and material Sites
11 AAC 80	Pipeline Rights-of-Way
11 AAC 96	Miscellaneous Land Use
11 AAC 97	Mining Reclamation

Contact Information
<p>Contact: Frederick M. Thompson, State Pipeline Coordinator Phone: (907) 257-1330 Fax: (907) 272-0690 E-mail: mthompso@jpo.doi.gov</p>

Pipeline Coordinator Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,822.8	2,507.5	2,614.8
72000 Travel	117.4	190.8	290.8
73000 Services	1,480.7	2,247.5	4,827.5
74000 Commodities	63.9	94.1	163.2
75000 Capital Outlay	30.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,514.8	5,039.9	7,896.3
Funding Sources:			
1002 Federal Receipts	79.3	276.7	276.7
1004 General Fund Receipts	75.8	0.0	0.0
1005 General Fund/Program Receipts	356.1	458.5	462.9
1007 Inter-Agency Receipts	88.1	148.7	150.2
1061 Capital Improvement Project Receipts	12.1	0.0	0.0
1108 Statutory Designated Program Receipts	2,903.4	4,156.0	7,006.5
Funding Totals	3,514.8	5,039.9	7,896.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	2,663.2	1,500.0	1,500.0
Unrestricted Total		2,663.2	1,500.0	1,500.0
Restricted Revenues				
Federal Receipts	51010	79.3	276.7	276.7
Interagency Receipts	51015	88.1	148.7	150.2
General Fund Program Receipts	51060	356.1	458.5	462.9
Statutory Designated Program Receipts	51063	2,903.4	4,156.0	7,006.5
Capital Improvement Project Receipts	51200	12.1	0.0	0.0
Restricted Total		3,439.0	5,039.9	7,896.3
Total Estimated Revenues		6,102.2	6,539.9	9,396.3

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	458.5	276.7	4,304.7	5,039.9
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	4.4	0.0	43.5	47.9
Proposed budget increases:				
-Gasline Related Growth	0.0	0.0	2,500.0	2,500.0
-Additional TAPS Fire Safety Liaison and Clerk for Department of Public Safety	0.0	0.0	288.5	288.5
-Salary Increases for positions paid for in other agencies	0.0	0.0	20.0	20.0
FY2010 Governor	462.9	276.7	7,156.7	7,896.3

**Pipeline Coordinator
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	26	27	Annual Salaries	1,743,235
Part-time	0	0	COLA	70,850
Nonpermanent	6	6	Premium Pay	46,804
			Annual Benefits	882,271
			<i>Less 4.68% Vacancy Factor</i>	(128,360)
			Lump Sum Premium Pay	0
Totals	32	33	Total Personal Services	2,614,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	1	0	0	0	1
Administrative Assistant II	1	0	0	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	2	0	0	0	2
Administrative Officer II	1	0	0	0	1
Data Processing Mgr I	1	0	0	0	1
Dep St Pipeline Coord Engrng	1	0	0	0	1
Engineer/Architect IV	1	0	0	0	1
Information Officer III	1	0	0	0	1
Micro/Network Spec I	1	0	0	0	1
Natural Resource Mgr II	2	0	0	0	2
Natural Resource Mgr III	1	0	0	0	1
Natural Resource Spec I	1	0	0	0	1
Natural Resource Spec II	2	0	0	0	2
Natural Resource Spec III	4	0	0	0	4
Natural Resource Spec IV	2	0	0	0	2
Natural Resource Tech II	1	0	0	0	1
Natural Resource Tech III	1	0	0	0	1
Pipe Line Coordinator	1	0	0	0	1
Student Intern I	3	0	0	0	3
Student Intern II	3	0	0	0	3
Tech Eng I / Architect I	1	0	0	0	1
Totals	33	0	0	0	33